

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814



April 10, 1987

ALL-COUNTY LETTER NO. 87-51

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY AUDITORS
ALL COUNTY FISCAL OFFICERS
ALL COUNTY ADMINISTRATIVE SERVICES OFFICERS

SUBJECT: FEDERAL FINANCIAL PARTICIPATION IN COST-OF-LIVING ADJUSTMENTS FOR FOSTER CARE


REFERENCE: ALL-COUNTY LETTER NO. 86-108

In All-County Letter (ACL) No. 86-108, dated October 30, 1986, counties were instructed to separately identify and report payments for the July 1, 1986 cost-of-living adjustments (COLAs) to foster family home providers on the monthly CA 800 FC (FED), Summary Report of Assistance Expenditures - Federal Children in Foster Care. The ACL was precipitated by a Department of Health and Human Services, Administration for Children, Youth and Families (ACYF) program instruction carrying out the provision in the Gramm-Rudman-Hollings Law, PL 99-177, that prohibits federal financial participation (FFP) in certain foster care COLAs effective during federal fiscal year (FFY) 1986. At the time ACL No. 86-108 was issued, ACYF did not know if the FFP restriction on COLAs would apply to FFY 1987.

Because the State Department of Social Services (SDSS) believed that the Law's FFP restriction did not apply to California's July 1, 1986 COLAs, we sought clarification to ACYF. Clarification has now been received from ACYF that affirms their original position restricting FFP in FFY 1986 COLAs. Adjustments to the State's July - September 1986 quarter claim for federal reimbursement will be made by SDSS based on the data reported by the counties as specified in ACL No. 86-108. County claims will also be adjusted by SDSS to reflect the funding of the FFP loss as 95 percent state funded and 5 percent county funded.

The ACYF has notified us that the FFP restriction on COLAs does not apply to FFY 1987. It is therefore no longer necessary for the counties to continue to separately identify and report COLAs paid for October 1986 and after.

If you should have any questions, please call Ms. Willa Wallen, Assistance Policy Unit, Fiscal Policy and Procedures Bureau, at (916) 322-9288 or ATSS 8-492-9288.


ROBERT L. GARCIA
Acting Deputy Director
Administration

cc: CWDA